# BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA COLUMBIA, SOUTH CAROLINA

**HEARING #19-11756** 

FEBRUARY 14, 2019

2:00 P.M.

#### 2017-370-E:

**SOUTH CAROLINA ELECTRIC & GAS COMPANY AND DOMINION ENERGY, INCORPORATED** — Joint Application and Petition for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Incorporated, as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plans

Request by Commissioner Williams in Order No. 2019-100 for Briefing by the Office of Regulatory Staff Regarding: COMMISSION ORDER No. 2019-100 AND CUSTOMER EDUCATION PLAN IN ORDER No. 2018-804

## ALLOWABLE EX PARTE BRIEFING

COMMISSION MEMBERS PRESENT: Comer H. 'Randy' RANDALL, Chairman; and COMMISSIONERS John E. 'Butch' HOWARD, Thomas J. 'Tom' ERVIN, Swain E. WHITFIELD, and Justin T. WILLIAMS

ADVISOR TO COMMISSION: Joseph Melchers, Esq. GENERAL COUNSEL

STAFF: Jocelyn Boyd, Chief Clerk/Administrator; Josh Minges, Esq., and B. Randall Dong, Esq., Legal Advisory Staff; Jerisha Dukes, Esq., Commissioners' Staff; Douglas K. Pratt, William O. Richardson, Norman Scarborough, and John Powers, Technical Advisory Staff; Randy Erskine, Information Technology Staff; Patricia Stephens, Project Management Staff; Afton Ellison and Rob Bockman, Clerk's Staff; Jo Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter

#### **APPEARANCES:**

JEFFREY M. NELSON, ESQUIRE, together with DAWN M. HIPP [Chief Operating Officer/ORS], appearing on behalf of the SOUTH CAROLINA OFFICE OF REGULATORY STAFF

JOHN M. REAGLE, ESQUIRE, neutral designee serving in the stead of the Executive Director of THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

# Public Service Commission of South Carolina

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Note: For identification of any additional referenced materials and/or links for same, please see correspondence to be filed by the neutral designee, Mr. John Reagle, Esq.

## <u>Please note the following inclusions/attachments to the record:</u>

 SCE&G's Response to ORS' Audit Information Request referenced during these proceedings

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### PROCEEDINGS

CHAIRMAN RANDALL: Please be seated. Okay.

We want to welcome everyone to this afternoon's ex parte briefing. I'm going to ask Mr. Melchers to read the docket.

MR. MELCHERS: Thank you, Mr. Chairman.

Commissioners, we're here pursuant to a Notice of Request for Allowable Ex Parte Briefing. The request was by Commissioner Williams in Order No. 2019-100, requesting a briefing by the Office of Regulatory Staff. It's been scheduled for today, February 14th, at 2 p.m., here in the Commission hearing room.

And the subject matter to be discussed at the briefing today is: Commission Order No. 2019-100 and Customer Education Plan in Order No. 2018-804 in Commission Docket No. 2017-370-E.

Thank you, Mr. Chairman.

CHAIRMAN RANDALL: Thank you.

Our neutral representative today is Mr. John Reagle, and we'll ask you to step up to this microphone [indicating], I think is the closest place, and just make sure it's on. Thank you for being here today.

MR. REAGLE: Thank you, Chairman Randall.

Allowable Ex Parte Briefing

1	have a — is this — I'm not sure if it's on.
2	CHAIRMAN RANDALL: Press it and you should
3	have that red — the red light should be on.
4	MR. REAGLE: There it goes.
5	CHAIRMAN RANDALL: There you go.
6	MR. REAGLE: Good afternoon. My name is John
7	Reagle. I'm an attorney serving as designated
8	neutral under South Carolina Code 58-3-260(C).
9	I've been selected to serve as the designee to
LO	certify that today's allowable ex parte briefing
L1	takes place in accordance with South Carolina Code
L2	58-3-260(C).
L3	That statute sets forth certain parameters and
L 4	rules under which this briefing must take place.
L5	I'm going to go over a few of those conditions at
L 6	this time.
L7	Commissioner Williams requested this allowable
L8	ex parte briefing pursuant to South Carolina Code
L9	58-3-260(C). This presentation is limited solely
20	to the information that Commissioner Williams
21	listed as the subject matter to be discussed. I,
22	therefore, ask that anyone here please refrain from
23	discussing any matters not related to Commission
24	Order No. 2019-100 and the Consumer Education Plan
25	in Commission Order 2018-804.

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Secondly, the statute prohibits any participants, Commissioners, or Commission Staff from requesting or giving any commitment, predetermination, or prediction regarding an action by any Commissioner as to any ultimate or penultimate issue which either is or is likely to come before the Commission.

Next, in order to certify this allowable exparte briefing, material corresponding to today's proceeding will be posted on the Commission's website. Any document referenced or utilized today should be included with that posting. I'd like to ask the participants, Commissioners, and Staff to refrain from referencing any reports, articles, or statutes, or documents of any kind that are not included in the allowable exparte briefing materials, to prevent the need to try to track down copies and links to such documents for inclusion in the briefing record.

As a final note to all those present today, please make sure to read, sign, and return the form at the back of the room that you were given when you came in today. This form needs to be signed by each attendee to certify the requirements contained in the statute have been complied at the briefing

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Thank you for your time. Mr. Chairman, this concludes my opening remarks.

CHAIRMAN RANDALL: Thank you, Mr. Reagle.

Okay, Mr. Nelson, I believe we turn it over to you.

MR. NELSON: Thank you, Mr. Chairman. I appreciate it.

CHAIRMAN RANDALL: Thank you.

MR. NELSON: I really wasn't planning on sitting up here, but there are two chairs so I thought I probably should sit up here.

CHAIRMAN RANDALL: It gives it a little balance.

MR. NELSON: It does. All I'm going to do is an introduction, so, it's already been said twice, but we're obviously here at the request of Commissioner Williams and the Directive that was issued by this Commission. And we are here to discuss Commission Order No. 2019-100 and the Customer Education Plan of SCE&G and Dominion.

Without any further introduction, I'm going to present Ms. Dawn Hipp, who is our chief operating officer. She will make our presentation. Thank you.

1	CHAIRMAN RANDALL: Thank you.
2	Ms. Hipp, welcome.
3	MS. DAWN M. HIPP [ORS]: Good afternoon, and
4	happy Valentine's Day. I appreciate being here
5	with you today.
6	CHAIRMAN RANDALL: You've got your red on, so
7	you're doing well.
8	MS. DAWN M. HIPP [ORS]: I do. And we're
9	coordinating [indicating] so it makes sense —
10	CHAIRMAN RANDALL: That's good.
11	MS. DAWN M. HIPP [ORS]: — that we would be up
12	here.
13	But I appreciate the opportunity to sit down
14	with you today and share ORS's activities related
15	to the Customer Education Plan as filed by the
16	company. I think it might be helpful to ground our
17	knowledge in what is the Customer Education Plan,
18	the program, and why was it filed. And so I
19	thought I would take a few minutes just to run
20	through that, and then we'll move quickly into
21	ORS's activities related to the Customer Education
22	Program, and then I'll open it for questions. I
23	think you might have some questions, and I'll be
24	glad to provide any information that we can, based
25	on our activities under the Customer Education

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Program.

So, if that suits you, we'll just do a little grounding to begin with. And so, as we know and have lived through three weeks of hearings and a year of preparation, when we came to the table, the company had offered, finally, three different options for the Commission to consider. And in those options, the first one that was presented to the Commission in the Application included a onetime, upfront cash refund or rebate of \$1000. Along with that offer by the company came along advertising, an extensive advertising campaign leading up to and through the hearing. As the hearing evolved, the company brought forward two alternate plans: Plan B and Plan B-Levelized. Neither of those had any advertising, or had limited advertising in the media about the contents of those plans. Neither one of those plans contained an upfront refund or rebate available to the customer.

Ultimately, the Commission issued its order.

It issued its order and, prior to that, it had a discussion with the Dominion witnesses, talking about potentially the confusion that might occur, should the Commission choose a plan that did not

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contain the upfront refund. And in that discussion with the company witnesses, it was made clear by the company witnesses a commitment to own whatever plan the Commission had selected, and they would advertise related to that and talk about the benefits to their customer.

So it was on that commitment, then, that the Commission conditioned its Order in 2018-804, -804(A), to include a merger condition. And that merger condition required the company to, within 30 days of the merger and in consultation with our office, to provide a Customer Education Plan that talks about the benefits and implementation of any merger benefit plan approved by the Commission and that such program should be filed with the Commission prior to its implementation.

On January 2nd, as you're aware, the company filed its Customer Education Program with the Commission and then subsequently issued two press releases highlighting the portions of the Customer Education Plan provided to the Commission. Their advertising, then, switched to something that's known as branding, which was an introduction of the company to South Carolina and the components of the merger.

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So how does that intersect with ORS's activities? Well. the Commission was clear in its merger condition that the Customer Education Program needed to be done in consultation with ORS And so I think it might be helpful to understand ORS's role with how we interact with customers. For the new Commissioners, it would be helpful to know that we do have a Consumer Services team. They're a small team, but they are mighty. underestimate them. There's three investigators on that team and a supervisor. And during the course of a fiscal year, they average taking about 13,000 calls from customers of utilities, customers of municipalities, and they kind of sift through that and in the end, they'll investigate roughly 3000 complaints that require investigation.

So we're available to customers of the utility. We've got a team staffed specifically to take their calls, answer their questions, and investigate their complaints.

After the merger closed, and actually prior to that, in 2018, our Customer Service team fielded calls from SCE&G customers who did have questions about the merger. Specific to the customer — the offer of the \$1000 upfront cash rebate or refund,

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we received seven contacts in 2018 related to that issue. Those contacts that we received from customers were about how the calculation would be made, how they could be eligible — you know, if they lived in a home at a certain point, would they be eligible for the upfront refund or rebate. How the experimental rate and the impact that would have, when it was incorporated, how did that impact the cash refund. And the timing of the refund: When would it be given back. So we had a total of seven calls that were centralized on the refund or rebate component of the customer benefit plan.

Then, turning to 2019, after the merger had closed, we have received, to date, five contacts related to the rebate component, the upfront cash refund. And what we hear from customers is that they desired the refund instead of the lower rate. Those five contacts, within those five contacts, one was moving and wanted a refund instead of a lower rate over time. And then we had several customers who were just angry. They were just angry about not receiving a refund.

So based on the number of calls that we have received, 12 in total, that is what we had heard

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from customers in 2018 and in 2019.

After the directive was issued on the 14th, we met with the company on the 20th to discuss the Customer Education Program requirement, in anticipation of the Commission's Order. We reviewed a draft of that program, we discussed it with the company, and we ultimately gave the company some feedback on what its draft proposal contained.

The feedback that we provided the company — just to give you a little summary of the type of feedback that ORS provided — one was we checked what we anticipated being the merger condition at that time on the draft. We checked the compliance with that merger condition, to make sure that the plan addressed the issues that the Commission had specifically identified to be included.

We also suggested to the company or provided feedback to the company that it include its intention to change the name of the company in its Customer Education Program that it ends up submitting. We removed reference to the other out-of-Commission-jurisdiction settlements that were going on, because those weren't part of the Commission's jurisdiction, so we suggested some

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feedback to remove that. There just were some general errors that we corrected - date errors and that type of thing. We modified — we suggested some modifications to the Customer Education Program to remove things that weren't customer-facing. This was about the customer and so the detail should be related to that. We suggested some clarifying information to help customers: the information about what the impact on the bill would be, to clarify that piece. And there were some stale data points back to 2017 that we suggested be refreshed. We removed any statements that the company had attributed to ORS from - you know, that was one of our suggested feedback. And we helped provide some feedback on refining the Frequently Asked Questions that the company ultimately has posted on its website. The company's incorporated the majority of ORS's feedback into their Customer Education Program, as filed with the Commission. After the directive came out that brings us here today, we did meet with the company. We sat

After the directive came out that brings us here today, we did meet with the company. We sat down and talked with how best to provide the information or provide some context and updates to the Customer Education Program to the Commission,

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and in return we received a commitment from the company to provide an ex parte to you, to be scheduled at a later time, I understand.

We also issued the company an Information

Request in an effort to get information to provide

— to see what kind of updates would be offered by

the company to its plan, how much the company had

spent over time on its plan, and those types of

things. We did receive responses to those late

yesterday, and we're in the process of reviewing

the company's responses.

So with that said, I will — that kind of concludes what ORS's activities are today. Of course, we're here today to answer any questions you might have and provide any other details that might be helpful to you. And with that, I'll just turn it over for questions.

CHAIRMAN RANDALL: Thank you, Ms. Hipp.

Commissioners, questions.

**COMMISSIONER HOWARD**: Mr. Chairman.

CHAIRMAN RANDALL: Yes, sir. Commissioner Howard.

**COMMISSIONER HOWARD**: Ms. Hipp, I've got a couple of questions.

MS. DAWN M. HIPP [ORS]: Certainly.

1	COMMISSIONER HOWARD: Just the conversation
2	that I have on the street, you're saying you only
3	had 12 contacts on the \$1000?
4	MS. DAWN M. HIPP [ORS]: Yes, sir.
5	COMMISSIONER HOWARD: And that — was that e-
6	mail or telephone calls or a combination of both?
7	MS. DAWN M. HIPP [ORS]: Those were a
8	combination of both. We record both e-mail and
9	telephone contacts in our database.
10	COMMISSIONER HOWARD: The advertising dollars
11	spent for the \$1000 promotion, so to speak, and
12	subsequent advertising, will that be allowed in
13	rates?
14	MS. DAWN M. HIPP [ORS]: It will not. It is
15	our position that that should not be allowed in
16	rates. The company clarified during the hearing
17	process that those would be part of the transition,
18	transaction, and integration costs related to the
19	merger, and those would be excluded.
20	COMMISSIONER HOWARD: Thank you.
21	MS. DAWN M. HIPP [ORS]: You're welcome.
22	CHAIRMAN RANDALL: Thank you.
23	Commissioner Williams.
24	COMMISSIONER WILLIAMS: Thank you, Mr.
25	Chairman.

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Ms. Hipp, thank you so much for being here today.

MS. DAWN M. HIPP [ORS]: Certainly.

COMMISSIONER WILLIAMS: You know — you know this probably better than I do — the Commission doesn't have the power to order anyone to appear before the Commission, and you all appeared at our request, and I thank you for that, because we need ORS's help, in my opinion. We need your help to restore the public trust. And from where I sit, this is what all of this is about, doing what we can to restore the public trust. And I believe transparency and accountability are two big factors to aid us in that effort.

With that being said, my question is: How effective do you think the Customer Benefit Plan, as applied up to this point, how effective has it been to educate customers as to what happened? Or, the Customer Education Plan. I'm sorry.

MS. DAWN M. HIPP [ORS]: Well, I think the Customer Education Plan, as filed by the company with the Commission, you know, set out 100 days of activities. And that really is best addressed by the company. They're measuring key metrics on whether or not the program is effective. But the

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100-day scenario that they have laid out and the different activities, while it lacks specificity as to what type of advertising, the exact standards and things, I think that, you know, it is — they're making their name known. And that was the intention of that piece. They are — the documents that we have reviewed, that I believe also have been filed by the Commission as part of the education plan, you know, clearly show that they're focused on communicating the benefits.

COMMISSIONER WILLIAMS: So, what position does ORS take — and I understand that you're not the company. ORS is not the company, I get that piece. But as a Commission, we don't have the power to investigate, we don't have the power to audit; we have to rely on ORS. And Commissioner Howard made reference to having conversation on the street. You know, we all go to church, or we all go to family reunions. We're in the community; we're public figures. And it just seems sort of hard to believe that, based on the outcry, if you will, regarding this rebate not being given, that only 12 calls were made.

And I say that on one hand, but on the other hand, I understand. As a former prosecutor, former

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defense lawyer, workers' compensation lawyer, I have interfaced with people who have what I like to call a Moses Effect. They have a lot of problems, but they expect someone else to fix it. A leader. The government. Right? And sometimes they don't take the steps that Mr. Harvell took last week, to file for an allowable ex parte hearing.

And so, while you have only received — or ORS — only received 12 calls, I would think that there are many more people who are concerned about what happened here. And my concern is that it doesn't seem — I've reviewed the Customer Education Plan — it doesn't really seem to get to the heart of why those customers are not receiving the rebate. It almost has the appearance — if I were just to step outside, as an outside observer — it almost has the appearance that the company promised \$1000 if the merger went through. The merger went through; they didn't promise[sic] the \$1000, and the customers are left holding the bag.

It almost has the appearance that we helped them do that. That's the way it sort of comes across. And that's concerning to me, because no one — ORS nor the Commission offered to pay anyone \$1000. The company did. We made a decision based

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on the information that was presented to us during the hearing. It seems a bit irresponsible to make such an offer and not have a plan, a turnkey plan to fully educate customers as to what happened after the merger closed. And I'm just — I'm bothered by it. I'm concerned by it. I'm wondering whether or not ORS shares that same level of concern.

MS. DAWN M. HIPP [ORS]: I can't dispute that. I mean, it does — you know, what had happened is Dominion Energy, which is an unregulated entity, provided an advertising campaign about merger benefits that may or may not be realized. And that triggered confusion. So I don't disagree with you that that confusion exists.

From our perspective, or my perspective, without a marketing background — I'm sure a marketing person could really dig into this and it would be an interesting case study, but that's not what we're here to talk about. From ORS's perspective, the plan, as proposed by the company or provided to the Commission from the company, met the requirements that were in the merger. And so we, of course, didn't object to that filing being made.

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With that said, does it heavily focus on explaining the \$1000? It does not. And that admittedly causes, you know, concern amongst folks. However, we have not, as an agency, had those contacts.

COMMISSIONER WILLIAMS: What could be done? Is there anything that could be done, to try to ease the frustration, confusion, anger, if you will? Because you're right. I've reviewed the Customer Education Plan, and it is light, at best, on explaining the \$1000 rebate.

Now, I get it. Because I was here for three weeks, and even before that, studying up on all this, I understand. And I think all the Commissioners — everyone who's been involved in this understands what happened, what happened. But that \$1000 promise if the merger closed did not fully flesh out all the details that were going into the decision that we made, and it sounds like you're telling me that there's really nothing — like, essentially, that could happen again. An unregulated entity could come in our State and make a promise that goes unfulfilled, and there's essentially nothing we can do about it.

MS. DAWN M. HIPP [ORS]: And you wouldn't be

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where that has happened to, so — it has happened in other jurisdictions. You know, what can be done about it? My thought is that, at this point, there are some customers who any amount of education still is not going to satisfy them. The \$1000 credit or cash — upfront cash rebate is not coming. And so, we could provide — not "we," but the company could provide additional education opportunities, and it still wouldn't satisfy and mitigate that fact, you know.

commissioner williams: I understand. I agree with that. Let me ask you this. In making suggestions to the company — I've seen the proposal, but I haven't seen what, I guess, the presentation would look like. If they were to go into a community and make a presentation at like a town hall, you know, "Here's our Customer Education Program," if you will, will ORS play any role in fact-checking whatever program they plan to roll out? Say, if they have a PowerPoint that includes certain numbers or cost savings, what have you? How will we know those numbers are verified?

MS. DAWN M. HIPP [ORS]: That is not part of our normal duties with the utility. Now, what we

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would do, under Subarticle 4, is check the documents that the Commission regulations, you know, require certain information to be on, such as the bill form. But it doesn't include a company's presentation to, you know, its customers or to constituents or economic development groups, things like that.

We do have experience where — and we'll provide technical assistance to smaller utilities where they will ask us to look at something, just to make sure that it's not contrary to any regulation, and we'll provide that as a service to them. We're not their attorneys; we can't provide them legal advice. But we do have some experience under the regulations to make sure that they avoid some of those pitfalls, so we do try to provide that to them.

You know, the company — I think if the Commission were to ask the company to provide some of the mockups or some of their stock presentations, that, you know, the company would be amenable to that. I don't have those items to provide to you. We certainly have not seen anything out in the world through, you know, their digital media campaign or heard from customers or

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community groups that they've met with, that there is anything in the presentation that causes concern or is inaccurate or in conflict with the merger, as closed.

COMMISSIONER WILLIAMS: Gotcha. Thank you for sharing that. So, do you have — other than the suggestions that you shared with the company, do you suggest anything else that could help ease us through this transition period, to try to answer the questions, if there are any from those customers, those ratepayers, who are angered, confused, and frustrated? Do you have any direct suggestions, other than the ones you made the company — and let me tell you why I'm asking the I don't want this to be a missed opportunity for us. Again, the reason we're here in the first place is because the public trust was broken, and I don't want 2.0. So how can we work or what can we, in ORS's opinion, do, despite the fact - despite where we are now, what can we do now to ensure that we are completely transparent, that we hold everyone accountable to what they've said that they were going to do and ensure that that happens?

MS. DAWN M. HIPP [ORS]: Those are very good

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points, Commissioner. At this point, in this situation, specifically, I think the Commission is doing what it needs to do to promote transparency and hold people accountable. You have filed, yesterday, some updated advertising or tranche-two advertising from the company. You know, they provided that to you with dates that that would run. They offered an ex parte and have offered to schedule that. Definitely, looking at that as an opportunity for the company to indicate to you how it intends to rebuild the public trust would be helpful. And having ex partes like this, and this direct conversation - many heads are better than just one, and so getting some of those ideas out on the table would be helpful. I don't have any, other than bringing the company to the table and having them discuss what their marketing approach is, with their expertise. They've got staffing and marketing expertise that they've retained, and I think, you know, they can talk to you about the direction of that campaign.

COMMISSIONER WILLIAMS: Well, this is my final question, I believe. Do you know if there was any communication from the company to ORS, before this

1	\$1000 rebate offer went public?
2	MS. DAWN M. HIPP [ORS]: There was no
3	conversation with me. I know that. We did not
4	have that conversation. I do not believe and it
5	has not been discussed that anyone in our
6	organization had that conversation with the
7	company.
8	COMMISSIONER WILLIAMS: Thank you for being
9	here.
10	MS. DAWN M. HIPP [ORS]: Thank you.
11	CHAIRMAN RANDALL: Thank you, Commissioner
12	Williams.
13	I've got — oh, go ahead, Commissioner
14	Whitfield, and then I've got a question, too.
15	COMMISSIONER WHITFIELD: Thank you, Mr.
16	Chairman.
17	Ms. Hipp, just a few questions for you, a
18	little bit — a tad of follow-up with Commissioner
19	Williams. His last question to you, you said there
20	was no contact from the company to ORS prior to —
21	talking about Dominion — prior to offering the
22	\$1000, that you're aware of. And you said, no, not
23	that you're aware of, correct?
24	MS. DAWN M. HIPP [ORS]: That's correct.
25	COMMISSIONER WHITFIELD: And you would agree

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that they started these television ads probably—let's just say ten months out. Might've been eleven, might've been nine. Let's just say ten, but a long period of time, better than three-quarters of a year, that advertising started. Early part of 2018, it's fair to say, right?

MS. DAWN M. HIPP [ORS]: Correct. I believe January.

**COMMISSIONER WHITFIELD**: January, okay. So we're close to — well, over a year, from now. as those ads continued to run and continued to run and as the time moves on, other plans were brought forward by the company. And did ORS — I'm going to ask the question in the reverse that Commissioner Williams just asked you. You didn't get any contact about offering the \$1000 in advance. Did ORS have any contact as the company began to roll out Plan B and Plan B-L and these other plans — as they rolled out, was there any contact from the company to ORS to say, "Hey, these new plans, while they have a lot of different options here, one thing that's not going to be going forward, in order to provide long-term relief, is the \$1000 upfront refund is going to go away for the average user of 1000 kilowatt-hours"? Did — was there any

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1	contact from the company about that?
2	MS. DAWN M. HIPP [ORS]: Well, I think our
3	position was clear. We did not favor the \$1000
4	upfront refund.
5	COMMISSIONER WHITFIELD: Correct.
6	MS. DAWN M. HIPP [ORS]: And you saw that
7	through our testimony.
8	COMMISSIONER WHITFIELD: Certainly.
9	MS. DAWN M. HIPP [ORS]: And for reasons that
10	the manner in which it was proposed created a loan
11	environment, in which the customer would pay that
12	back over time with interest. So it was not ORS's
13	favored position.
14	COMMISSIONER WHITFIELD: In fact, wasn't that
15	characterized by some satirical type
16	characterizations, what you're referring to with
17	the upfront money?
18	MS. DAWN M. HIPP [ORS]: Correct. It
19	certainly was.
20	As to our conversations with the company about
21	our disinterest or disfavor of that option and the
22	reasons why, you know, those conversations about

settlement discussions. And obviously we didn't

reach a settlement agreement, and the company moved

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those plans in front of the Commission for its decision, you know, in the proper forum.

COMMISSIONER WHITFIELD: Certainly, I know you were — unlike us, you all were part of any would-be settlement, had you reached a settlement. I get that, that you couldn't disclose that. But do you think — or does ORS have an opinion on whether the company should've changed its ads as these other plans were rolled out, say, to the public, saying, "Hey..." I mean, the ads continued to run, right up to the case, \$1000 refund, but yet these other plans were out there that did not include that.

MS. DAWN M. HIPP [ORS]: You know, again, it's an unregulated entity running these ads to its customers. So let's keep in mind that the Customer Benefit Plan, the original plan that had the \$1000 credit, was still in play. And so I'm not justifying their advertising campaign; that's not what I'm here to do today. And we certainly didn't favor the \$1000, so our position on that, any advertising related to it, is very clear.

COMMISSIONER WHITFIELD: It certainly was in play in one of the plans, but as these other plans were rolled out, I don't recall seeing an ad in the media, explaining that.

1	MS. DAWN M. HIPP [ORS]: You're correct.
2	There were no subsequent advertising that indicated
3	a secondary plan or a third plan had been rolled
4	out. However, there was no indication that the
5	original plan that included the \$1000 had been
6	retracted.
7	COMMISSIONER WHITFIELD: I want to ask you one
8	more kind of specific question, and I'm going to, I
9	guess, concur with Commissioner Williams and
10	Commissioner Howard. I'm a little bit surprised
11	that you've only had 12 calls — seven calls in and
12	2018, five calls in 2019, after the case.
13	Of the seven calls in 2018 — you, personally,
14	or certainly ORS personnel, were at the night
15	public hearings where members of the public had
16	their opportunity to speak.
17	MS. DAWN M. HIPP [ORS]: Correct.
18	COMMISSIONER WHITFIELD: Were any of those
19	seven calls identified — and you don't have to say
20	a name, but were any of those seven calls
21	identified as witnesses who testified in the public
22	night hearings?
23	MS. DAWN M. HIPP [ORS]: I don't have those
24	records with me. I don't believe so. Certainly,
25	in the context of the call record. it didn't

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indicate that they had attended a public night hearing. But that doesn't mean that, in the context of the conversation, they didn't bring that up. I wasn't in the conversations. It certainly wasn't part of any e-mail dialogue that went back and forth, that we would capture in our call records.

COMMISSIONER WHITFIELD: And I do recall some comments of that nature in the night hearings. But did ORS document, by any chance, in the night hearing witnesses, how many or who said they might've been for the \$1000 refund? Of course, these plans started — particularly the last one came out late. So, did you — do you have any kind of tally of that?

MS. DAWN M. HIPP [ORS]: No. When we're listening, we kind of listen for trains of complaints. You know, it was very clear that there were, you know, public sentiment related to the \$1000 credit and public sentiment related to the merger. But we did not track that coming out of the public hearings.

COMMISSIONER WHITFIELD: And lastly — and I'm going to turn it over to Mr. Chairman, but before I do, I'm going to lastly kind of go where

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Commissioner Williams was going, also. What do you think this Commission can do and ORS can do — that we can do — to help this public mistrust, if you will, or this misunderstanding? What do you think we can do, going forward?

MS. DAWN M. HIPP [ORS]: I think it's kind of

a two-part question, so I'll break it up into parts, and I'm going to start with the last part first — because that's the way that I think. you know, I think this concept of public distrust, from our perspective, or my perspective, it's not public distrust with the process that the Commission is operating. This operation, the Commission's operations related to these issues, have been nothing but transparent. Folks have had opportunities for allowable ex partes. You've given the public a sufficient and overabundance of opportunity to participate with you in the process. So we're not gauging, and from customer contacts we're certainly not gauging, a distrust with the Commission's process.

So as far as improvements there, you know, having the company come and provide an ex parte to answer maybe some of these other questions related to their plans would be helpful; that's an effort

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towards transparency.

The distrust is fostered by the imprudent acts of the company. And it will take the company time to rebuild that trust with their customers, with the Commission, with the other stakeholders that work with the company, and they'll have to work hard at it.

COMMISSIONER WHITFIELD: Well, thank you for coming and presenting to us. I hope that, again, like Commissioner Williams said — we can't request, but I hope, in the future down the road, you can report back to us.

Thank you. That's all I have, Mr. Chairman.

CHAIRMAN RANDALL: Thank you.

Any other questions, Commissioners.

COMMISSIONER WILLIAMS: I have one more
follow-up, Mr. Chairman, if -

CHAIRMAN RANDALL: Yes, sir.

COMMISSIONER WILLIAMS: So, Ms. Hipp, I wanted to — well, two things. You are absolutely correct in your statement that ORS is very clear about its position on the \$1000 rebate. I thought that was artfully articulated. In my mind, I'm wondering how — how is the company going to educate the public in a meaningful way if they take the

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position that all three plans were good, or if they

— their words were they were agnostic towards all

three plans; the merger economics worked for all

three plans. How are they going to educate the

public in a manner that is intellectually honest,

if they don't acknowledge some of the pitfalls of

the Customer Benefits Plan?

MS. DAWN M. HIPP [ORS]: And so, it's a very good question. I don't think I have an answer for that. I think that is a wonderful question for the company. There are definite pitfalls and risks that the company had to have acknowledged when it initiated its campaign prior to Commission approval. And how they assessed those risks and made the decision to invest in that advertising, I don't have the answer for that.

Certainly, their advertising, since the merger has been approved, has been one to educate the population about the benefits of the merger, the benefit to the customer of the merger. And you're right; it is absent of the \$1000 rebate/refund discussion.

commissioner williams: All right. And the
reason I wanted to highlight that is because I
truly believe, while there are some ratepayers who

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just want that check — I'm sure there's some that just want the check — I truly believe that there are some, if they understood the differences between the three plans, they wouldn't be so quick to take that check, if it were — if it was available.

MS. DAWN M. HIPP [ORS]: Right.

COMMISSIONER WILLIAMS: I really believe that.

But I don't know — I lack confidence in whether the company is going to present the information in that way, where it's just a numbers-side-by-side, apples-to-apples comparison, without ORS's help.

MS. DAWN M. HIPP [ORS]: Well, I think, you know, ORS can offer suggestions, but certainly the ultimate body to make the company do anything is going to be this Commission. We can make suggestions. We try to informally resolve those issues. The company is here; I'm sure they are listening to the concerns. They are very valid concerns.

The company has provided the Commission with some mockups of advertising it intends to use, and that could be an opportunity to have that discussion with the company about whether or not those are sufficient to satisfy that customer

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education piece. My quick review of them — again, they were filed late yesterday — is that they hit the credit issue head-on and then talk about the benefits of the plan that was approved by the Commission, ultimately adopted.

commissioner williams: Based on your dealings with the company up to this point — and I say "company" — Dominion, up to this point, in hindsight, looking at the \$1000 rebate offer if the merger closed, not detailing that there were several options on the table that could also allow the merger to close even if it wasn't through the Customer Benefits Plan, looking at the rollout of their Customer Education Plan thus far, do you feel that the company is operating in good faith?

MS. DAWN M. HIPP [ORS]: You know, that's a real loaded question. You know, I do feel that the company is used to doing business in other jurisdictions, with other types of customers. You know, a customer of electricity is the same anywhere around, but there are different cultures, regulatory cultures, that utilities get used to. And operating in some of the other jurisdictions may have — the company may have perceived that South Carolina operates in the same manner. And so

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it rolled out something that may have worked or been expected in another jurisdiction, to find out that Southerners have a bit of hospitality here.

And our jurisdiction doesn't work that way. We're a cooperative jurisdiction; at least that's been my 15 years of experience.

And, so, even coming out of the hearing that we've recently been in, our goal, our agency goal, ORS's goal, is to work cooperatively with all of the stakeholders, and that includes the utility. So the ruling, you know, that came out at the Commission, there were positives for ORS. You know, you didn't adopt some of our positions, which is perfectly fine. But our end goal is to work cooperatively with the utility, the Commission, and the other stakeholders, because ultimately that ends up to be the best for the customer. I don't say "capitulate"; I say "cooperate."

COMMISSIONER WILLIAMS: Thank you.

MS. DAWN M. HIPP [ORS]: You're welcome.

CHAIRMAN RANDALL: Commissioner Ervin.

**COMMISSIONER ERVIN**: Thank you, Mr. Chairman.

I appreciate your being here today, and also the work that you have done to prepare for today's hearing. I think it's great to learn that you did

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meet with the company representatives and made suggestions, and many of those suggestions were incorporated into their education plan. So that's all very positive.

And, you know, I understand how some of my colleagues have been frustrated by this process. Hindsight is 20/20. I'm sure, had — if Dominion perhaps had it to do over again, they might've approached it in a different way, because the, quote, "\$1000 cash payment" was just not a good approach because it didn't explain all the details. And I can foresee if we'd adopted that plan, we'd be getting calls, "Well, I didn't get \$1000. I only got \$720. Where's the rest?" You know the details — and it's hard to capture all the details in a 30- or 20-second spot on the TV or radio. And so I think it's probably a good thing that that initial offer was rejected, because we would have had a flood of complaints about people not getting checks or not getting the \$1000, for a number of Remember, that was a, quote, "average," reasons. so assume that half of the people that would get checks would be less than the \$1000. important to the point is that I think that — we have to give Dominion some credit for learning

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1	along the way, and hearing from the stakeholders
2	and the regulators. Don't you agree that —
3	MS. DAWN M. HIPP [ORS]: I would agree.
4	COMMISSIONER ERVIN: — they did make
5	adjustments at halftime, so to speak, about their
6	game plan. And I think, for the most part, we
7	adopted the best plan available for the ratepayer,
8	and I think ultimately for the company and all the
9	stakeholders. And the reason that we adopted the
LO	B-L Plan — would you agree? — that it's ultimately
L1	going to reduce bills for the average residential
L2	customer for a longer period of time, and from the
L3	standpoint of keeping rates low for the longest
L 4	period of time for residential ratepayers. It's —
L5	the plan that we adopted does that. Would you
L 6	agree with that?
L7	MS. DAWN M. HIPP [ORS]: Correct. Of the
L8	three plans you were presented —
L9	COMMISSIONER ERVIN: Correct.
20	MS. DAWN M. HIPP [ORS]: — by the company,
21	yes, that does that.
22	COMMISSIONER ERVIN: So I think we have to
23	give them some credit for ultimately getting a plan

And so I think the

challenge now - I mean, what I hear Commissioner

before us that does that.

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Williams and others say is, "How do we educate the public about the benefits of the plan, as adopted?" And, clearly, it's not going to be easy to do that. But I think that if we focus on long-term relief that's been guaranteed by the plan — we have taken the whole rate base, which was much higher than the regional average — some of the highest rates in the nation, residential customers — and we brought that average bill down below the region, and near — well below the national average. So rates have gone down, if you look comparatively to our regional We're now much more competitive, meaning states. people are going to pay lower bills for a longer period of time, and we're well below the national average.

So that's progress. That is really good news.

And so if we can just get that good news out, I
think people will feel a whole lot better about it.

But I want to thank you all for coming today and
giving us your input, and I'd encourage you to stay
involved in the process, going forward.

MS. DAWN M. HIPP [ORS]: Thank you.

CHAIRMAN RANDALL: Thank you.

Ms. Hipp, I want to just follow up on one thing you said earlier. You had talked about your

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data info request, that the company had filed a response yesterday and you were going to — ORS was getting ready to analyze that.

MS. DAWN M. HIPP [ORS]: Correct.

CHAIRMAN RANDALL: So, how will you communicate, you know, your conclusions, if any, based on that response to that request?

MS. DAWN M. HIPP [ORS]: Well, our intention was to ask some of the questions that we felt maybe the Commission — would interest the Commission most. And so, in doing that, you know, there are a couple of options. One is, we'd be glad to turn over the responses. There really isn't a synthesizing of the information to reach a different conclusion. I don't think, just in my brief time with it — we got it around 5 last night — my brief time with it, I don't think that there are any, you know, facts and circumstances that differ greatly than what we have discussed today.

So we'd be glad to provide you with a copy.

We had spoken with the company earlier, you know,
about that item, and they were fine with us turning
that over to the Commission.

So if that would be helpful to you, I'll look to my attorney. You know, we certainly can provide

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that after.

MR. NELSON: [Nodding head.]

CHAIRMAN RANDALL: Great. Thank you. I think that would be helpful. We look forward to getting that.

MS. DAWN M. HIPP [ORS]: Okay.

CHAIRMAN RANDALL: Thank you, very much.

MS. DAWN M. HIPP [ORS]: Sure.

CHAIRMAN RANDALL: Commissioner Whitfield, you said you had another —

**COMMISSIONER WHITFIELD**: Yes, I do. Thank you, Mr. Chairman.

I do have one quick follow-up question for you, Ms. Hipp. As you know, we can't answer questions up here and really can't express some of our thoughts — but some of us have done that today. And one of the thoughts that we've expressed is our surprise — it certainly is for me — that you've only had 12 calls, seven last year and five this year. And for my two colleagues to my right who weren't here at the time, just to show you my level of surprise or level of shock, if you will, Ms. Hipp, you recall the proposed transmission line that was going to come in the Upstate of South Carolina by Duke, and I think you remember we had a

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night hearing. I think I heard Mr. Scott say, at the time, it was the largest influx of calls he had ever had, and we had 900 people at that public hearing.

MS. DAWN M. HIPP [ORS]: I remember it well.

commissioner white white we have expressed our surprise, my question to you is, are you or is ORS surprised or shocked that you've only had 12 calls on an issue that affects so many hundreds of thousands of customers?

MS. DAWN M. HIPP [ORS]: We are. We are surprised. And to take it one step further, kind of to put it in context: So this was a category where we tracked exclusively those comments that talked about the refund or the rebate. We have another category that is just about the merger, just in general. You know, we tried to dissect it a little bit to get the very specific data here. And that number was low. You know, that number was definitely — it's definitely under 100. I can't quite recall what the number is, but it was very low, so think of the long time period we had worked on that.

So, it was, but I believe part of that is the robust news coverage that this brought. So our

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press corps, you know, had a very robust presence. They provided updates to folks leading up to the hearing and through the hearing, and those updates contained information that was developing. And so I think consumers had gotten, you know, possibly, some news; they had their questions answered through other means, whether it was digital or through the press. And I do acknowledge that I think there's some fatigue about the topic. I think the topic was very emotional. It's something that was very divisive over the last couple of years. And I think towards the end, folks got tired.

COMMISSIONER WHITFIELD: Well, while you're going to receive 12 calls, would you not agree that there are a whole lot more than 12 people who need to be — who might benefit from this Customer Education Plan that the company is rolling out now?

MS. DAWN M. HIPP [ORS]: Right, I think in the statistics, just briefly in what we have seen that the company provided back to us in their responses, they track their statistics on customer clicks and contacts and things, and you'll see an uptick related to their records. But as to what we have, it was very low.

1	COMMISSIONER WHITFIELD: Thank you.
2	That's all, Mr. Chairman.
3	CHAIRMAN RANDALL: Thank you.
4	Any other questions, Commissioners?
5	[No response]
6	Ms. Hipp, thank you for being here and for
7	your presentation. Mr. Nelson, thank you for your
8	introduction, brief as it was. And Mr. Reagle, we
9	thank you for being here, as well.
LO	If there are no other questions,
L1	Commissioners, we are adjourned. Thank you.
L2	[WHEREUPON, at 2:55 p.m., the proceedings
L3	in the above-entitled matter were
L 4	adjourned.]
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## CERTIFICATE

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary
Public in and for the State of South Carolina, do hereby
certify that the foregoing is, to the best of my skill and
ability, a true and correct transcript of all the proceedings
had regarding a requested allowable ex parte briefing in the
above-captioned matter before the PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the  $\underline{15^{th}}$  day of  $\underline{\text{February}}$ , 2019.

Je Elizapeth M. Wheat, CVR-CM/M-GNSC

Hearings Reporter, PSC/SC

My Commission Expires: January 27, 2021.